



INVEST SNAPSHOT: OFF-GRID ENERGY ACCESS IN KENYA

RAISING \$60.5 MILLION IN EQUITY TRANSACTIONS TO SUPPORT SOLAR ENERGY AND MINI-GRID EXPANSION IN KENYA

In sub-Saharan Africa, an estimated 600 million people live and work without regular access to electricity. Power Africa, a U.S. Government initiative coordinated by USAID, aims to enable energy sector transactions between public and private investors to increase access to electricity across the continent.

In Kenya, off-grid energy businesses have the potential to scale rapidly and reduce the energy gap for households and businesses in underserved areas. However, because these energy businesses do not have access to the expertise and support necessary to confront the complicated financial and operational realities that accompany growth, they often fail to reach this potential.

INVEST employed its rapid procurement process to solicit proposals for targeted support from its specialized partner network, ultimately awarding a subcontract to CrossBoundary LLC and Open Capital Advisors. They identified four high-potential off-grid energy businesses with the intention of providing them with transaction advisory services required to raise capital to finance enterprise growth. They also identified a development finance institution (DFI) looking to set up an energy-focused debt facility.



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INVEST: EXPANDING INVESTMENT IN OFF-GRID ENERGY ACCESS IN KENYA

- 1 debt facility ready to be launched
- 4 off-grid energy companies on a path to faster growth
- \$60.5 million in equity transactions raised
- \$114 million in capital projected to be raised

440,000

PROJECTED NEW CONNECTIONS



Photo credit: Azuri Technologies

DEVELOPMENT RESULTS

With INVEST's assistance, the selected organizations have determined appropriate capital providers. INVEST has also assisted the DFI in sizing the market and defining the appropriate structure and partners for the debt facility. For these transactions, Power Africa has exceeded targets for both capital raised and for electric connections. INVEST's transaction advisors helped the firms raise equity transactions totaling \$60.5 million with \$114 million in capital projected to be raised by the close of the activity. As a result, four off-grid energy companies are on a path to faster growth, a new debt facility is ready to be launched, and INVEST is enabling these companies to provide 444,000 projected new connections as well as 6,000 upgraded connections.

Access to electricity transforms lives and communities. In April 2019, Power Africa commissioned a qualitative data survey of 200 new electricity consumers in several countries, including Kenya, asking respondents about how the access to power had changed their lives: All those surveyed indicated an improvement in their quality of life. Many reported increased business incomes resulting from energy access; for instance, refrigeration has allowed restaurant owners and food distributors to preserve food longer and serve more customers. Refrigeration has also enabled people to store medicines for diseases like diabetes and tetanus. Nearly all respondents indicated that electricity had led to some combination of increased educational attainment, higher household income, and improved health.



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